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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
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SPA-SIMRAD, INC.,

Plaintiff,

v.

DANIEL WAINSTEIN, MARISSA WELNER, JONATHAN LEINWAND, MICHAEL SOKOLOFF, THOMAS SEIFERT, MASTIFF GROUP, LLC and GEORGETOWN CORP.,

Defendants.
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Case No.: 14-cv-5165

ECF CASE

COMPLAINT AND JURY DEMAND

Plaintiff, SPA-Simrad, Inc., by and through its attorneys at GARBARINI FITZGERALD P.C., brings this Complaint and Jury Demand for: (i) violations of the Racketeer Influenced Corrupt Organizations Act at 18 U.S.C. §§ 1962(a), (b), (c) and (d), as authorized by 18 U.S.C. § 1964(c); (ii) deceptive and unfair business practices and false advertising in violation of New York General Business Law ("GBL") §§ 349 and 350; and, (iii) common-law fraud, against Defendants Daniel Wainstein, Marissa Welner, Jonathan Leinwand, Michael Sokoloff, Thomas Seifert and fictitious fraudulent shell corporations Mastiff Group, LLC and Georgetown Corp. (collectively the "RICO Defendants"). Plaintiff alleges upon personal knowledge as to itself and upon information and belief as to other matters, as follows:

NATURE OF THE ACTION

1. The criminal enterprise at the center of this matter (referred to here as the "MASTIFF Enterprise"), employed or was associated with RICO Defendants -- WAINSTEIN, WELNER, LEINWAND, SOKOLOFF and SEIFERT as well as fictitious shell corporations, and nominal Defendants, MASTIFF GROUP, LLC and GEORGETOWN CORP.

2. The RICO Defendants are a group of professional criminals, notorious in the world of "pump-and-dump" securities fraud. The RICO Defendants have spent the last ten (10) years operating with complete impunity, outside of the law, defrauding companies and tens of thousands of investors for their own benefit. Their *modus operandi* is to register worthless companies on the over-the-counter (OTC) market (the OTC market is an "off-exchange" market where "penny stocks" are traded directly between two parties without any supervision by an exchange). The lack of supervision allows the RICO Defendants to then artificially inflate the price of their worthless stock through fraudulent promotions. The RICO Defendants then dump their over-valued shares, leaving the investors with nothing.

3. To accomplish the forgoing, the RICO Defendants have committed dozens, possibly hundreds, of RICO predicate acts including mail and wire fraud (18 U.S.C. §§ 1341, 1343), securities fraud (18 U.S.C. § 1961(a)), and violations of the Martin Act. In the past ten (10) calendar years (the 'Relevant Period"), the RICO Defendants have defrauded tens of thousands of hard-working individuals who invested in the score of phony companies the RICO Defendants have controlled.

4. The fraud perpetrated by this cabal of professional criminals here was an attempt to destroy SPA-SIMRAD, and then take over the impaired company in order to run their typical pump-and-dump fraud. In 2011-12, RICO Defendants WAINSTEIN and WELNER were

introduced to Anthony Giorgio, CEO of SPA-SIMRAD, by an individual who claimed he was friends with duo. (That individual later admitted he lied, and had never met them before the introduction.) WAINSTEIN and WELNER negotiated a funding/merger deal with SPA-SIMRAD, which was ultimately rejected by Giorgio. A fiscal crisis in 2013, however, necessitated SPA-SIMRAD resurrect a possible funding deal. In December of 2013, Anthony Giorgio contacted RICO Defendants WAINSTEIN and WELNER in New York, and informed them SPA-SIMRAD needed funding immediately, but in no case later than May 15, 2014. Funding was critical at that time to fund orders for military accessories for our fighting men and woman. SPA-SIMRAD would lose the order and its main vendor (and 85% of its business) without the funds. After numerous discussions, WAINSTEIN and WELNER offered Plaintiff a deal that would have purportedly provided a large capital investment; with a significant payment at the closing scheduled for May 15. RICO Defendants WAINSTEIN and WELNER also agreed to a "Bride Loan" in case the agreement was not finalized by the May 15 deadline. In return, the RICO Defendants were to receive a 49% stake in SPA-SIMRAD. WAINSTEIN and WELNER also demanded Plaintiff not seek other sources of funding (which were available at that time). Mr. Giorgio agreed, and the trap was set.

5. WAINSTAIN and WELNER then sent dozens of fraudulent emails, and participated in just as many telephone conferences, guaranteeing the MASTIFF Enterprise had readily available capital and would make the initial capital investment in SPA-SIMRAD or the Bridge Loan. The RICO Defendants never made any capital investment, and the Bridge Loan was never funded, despite repeated representations it would be. SPA-SIMRAD eventually lost its primary vendor, and is now in the process of winding down the business. Worse, the night-vision scopes needed by our men and woman in the field, would never arrive.

6. The RICO Defendants had no ability, or intention, of ever providing any capital. The primary objective of the MASTIFF Enterprise was to inflict severe and sustained economic hardship upon SPA-SIMRAD, with the intent of impairing, obstructing, preventing and discouraging Plaintiff from obtaining any other sources of funding.

7. The foregoing resulted in more than $5,000,000 in damages to SPA-SIMRAD to date, and is projected to be well over $15,000,000. This matter is about a good company that was lured into relying on the false promises of professional charlatans whose only intention was to use any means to wrest control of a company from a descent group of people, no matter what the cost.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and 1337 (federal question) and 28 U.S.C. § 2201 (declaratory judgment), and the civil remedies authored under Section 1964(c) of the Title IX of the Organized Crime Control Act of 1970 (the Racketeer Influenced and Corrupt Organizations Act or RICO Act).

9. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because the events given rise to this lawsuit took place in the Eastern District of New York. The scheme to defraud SPA-SIMRAD was initiated and orchestrated from this District, making this District the Court with greatest interest in preventing frauds to the individuals who reside in this District. Venue is proper in the Eastern District of New York pursuant to 28 U.S.C. § 1391(a) as the residence of the primary RICO actors WAINSTEIN and WELNER. This District has a significant interest in fraud, particularly securities fraud, which originated, and was orchestrated, from this District across State lines.

10. This Court has supplemental jurisdiction over the New York state law claims pursuant to 28 U.S.C. § 1367, as they are so related to the claims over which this Court has original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.

11. The federal claim here is not wholly immaterial or insubstantial, entitling Plaintiff to take advantage of the federal statute's nationwide service of process provision codified at 18 U.S.C. § 1965(b).

12. Personal jurisdiction over RICO Defendants DANIEL WAINSTEIN and MARISSA WELNER is reasonable and proper in this District because each is a citizen of the State of New York and resides in this District. Through their activities in this District, WAINSTAIN and WELLNER served as the ringleaders and primary actors in the MASTIFF Enterprise's scheme to defraud Plaintiff. As for SPA-SIMRAD's claims for violations of 18 U.S.C. § 1961 *et seq.* and New York state law, exercise of jurisdiction over WAINSTAIN and WELNER is proper pursuant to 18 U.S. C. § 1965(a), and N.Y. C.P.L.R. § 301.

13. SPA-SIMRAD need only prove personal jurisdiction over one of the Defendants in order to establish this Court is the proper venue under this Circuit's decision in *PT United Can Co. v. Crown Cork & Seal Co.*, 138 F.3d 65, 71 (2d Cir. 1998). Being that WAINSTAIN and WELNER are residents of the District and the individuals that initiated and orchestrated the fraud from this District; both Defendants clearly satisfy the minimum contacts test. SPA-SIMRAD need not prove personal jurisdiction over any other Defendant to establish venue.

14. Personal jurisdiction over fictitious corporation MASTIFF GROUP, LLC is reasonable and proper in this District because MASTIFF GROUP, LLC is a citizen of this State with an office at 130 Williams Street, Suite 403, New York, New York and because it conducts

substantial fraudulent activities in and from this State by and through the activities of WAINSTEIN and WELNER in this District on behalf of Defendant MASTIFF GROUP, LLC. As for SPA-SIMRAD's claims for violations of 18 U.S.C. § 1961 *et seq.* and New York State law, exercise of jurisdiction over Defendant MASTIFF GROUP, LLC is proper pursuant to 18 U.S. C. §§ 1965(a) and (b), and N.Y. C.P.L.R. § 301. Defendant MASTIFF GROUP, LLC is a nominal Defendant.

15. Personal jurisdiction over JONATHAN LEINWAND, MICHAEL SOKOLOFF, THOMAS SEIFERT and GEORGETOWN CORP. is reasonable and proper in this District. All are residents of the United States and claimed to be a principal or employee of Defendant MASTIFF GROUP, LLC in New York. Each claimed it conducted substantial business through MASTIFF GROUP, LLC's New York office located at 130 Williams Street, Suite 403, New York, New York. LEINWAND, SOKOLOFF and SEIFERT each claimed that all funding came from New York, and all deals were to be finalized in New York. For SPA-SIMRAD's violations of 18 U.S.C. § 1961 *et seq.*, the exercise of personal jurisdiction over each of these Defendants is proper in this District pursuant to 18 U.S.C. § 1965(b). The ends of justice require application of the nationwide service provisions of 18 U.S.C. 1965(b) because there is no district in which all of the RICO Defendants could be tried together. For SPA-SIMRAD's claims under New York law, exercise of jurisdiction over Defendants LEINWAND, SOKOLOFF, SEIFERT and GEORGETOWN CORP. is proper pursuant to N.Y. C.P.L.R. § 302. Through their agents and co-conspirators, Defendants LEINWAND, SOKOLOFF, SEIFERT and GEORGETOWN CORP. have transacted and continue to transact business in the State of New York, and there is a substantial nexus between Defendants LEINWAND, SOKOLOFF, SEIFERT and

GEORGETOWN CORP.'s purposeful availment of the New York forum and SPA-SIMRAD's claims. Defendant GEORGETOWN is a nominal Defendant.

THE PARTIES

16. SPA-Simrad, Inc. ("SPA-SIMRAD") is an entity that supplies high tech weapons and weapon related and military accessories. Anthony Giorgio is the owner and operator of SPA-SIMRAD and has 25 years of specialized experience in the military field.

17. Defendant Daniel Wainstein ("WAINSTEIN") is an individual and a resident of Queens, New York. WAINSTEIN represented he was an agent or employee of Defendant MASTIFF and initiated and orchestrated the scheme to defraud SPA-SIMRAD from this District.

18. Defendant Marissa Welner ("WELNER") is an individual and a resident of Long Island, New York. WELNER represented she was an agent or employee of Defendant MASTIFF and, along with WAINSTEIN, initiated and orchestrated the scheme to defraud SPA-SIMRAD. WELNER maintains an office located at 130 Williams Street, Suite 403, New York, New York, which doubles as the office for Defendant MASTIFF.

19. Defendants WAINSTAIN and WELNER are the primary actors in the Mastiff Racketeering Enterprise.

20. Jonathan Leinwand ("LEINWAND") is an individual and an attorney who resides in Miami-Dade County, Florida and is a member of Defendant MASTIFF. LEINWAND functioned as both lawyer and principal of Defendant MASTIFF and provided material assistance to ringleaders WAINSTEIN and WELNER in the scheme to defraud SPA-SIMRAD.

21. Upon information and belief, Defendant Thomas Seifert ("SEIFERT") is an individual, and a resident of Colorado. SEIFERT is purportedly the Chief Financial Officer of

fictitious shell corporation Defendant Georgetown Corp. SEIFERT is also an agent or employee of Defendant MASTIFF and assisted WAINSTAIN and WELNER in the scheme to defraud Plaintiff.

22. Upon information and belief, Defendant Michael Sokoloff ("SOKOLOFF") is an individual, and a resident of Florida. SOKOLOFF is also an agent or employee of Defendant MASTIFF and assisted WAINSTAIN and WELNER in the scheme to defraud Plaintiff.

23. Upon information and belief, Defendant Mastiff Group LLC ("MASTIFF") is a Delaware limited liability company with is primary place of business located at 130 Williams Street, Suite 403, New York, New York. Defendant MASTIFF is a corporation in name only, with no assets, and served only as the artifice for WAINSTAIN and WELNER to defraud Plaintiff, with the aide of the other RICO Defendants. MASTIFF is a nominal Defendant.

24. Upon information and belief, Defendant Georgetown Corp. ("GEORGETOWN") is a phantom, foreign shell corporation organized under the laws of Nevada, and is sole owner of GTCP MERGER SUB, INC -- the shell intended to be used to perpetrate the Defendants fraudulent scheme. GEORGETOWN is a nominal Defendant.

25. MASTIFF and GEORGETOWN are nominal Defendants due to the fact that they do not actually exist. They are corporations in name only, without assets, and used solely to carry out the various securities fraud schemes of the MASTIFF Enterprise.

26. Together this group is referred to collectively referred to here as the "RICO Defendants."

THE RICO DEFENDANTS

27. Before explaining the fraudulent scheme and material misrepresentations of the RICO Defendants at bar, a brief history of just some of the prior criminally fraudulent schemes of the RICO Defendants and the Enterprise is necessary.

28. The MASTIFF Enterprise is an on-going criminal enterprise that existed long before the fraud at bar, and, if they are not stopped here, will continue to defraud companies and investors in the future.

29. Defendant WAINSTEIN has been conducting pump-and-dump schemes for many years. He is the sole voting member and has all dispositive power with respect to shares held of another fraudulent shell entity called the Marjorie Group, LLC. Defendant WAINSTEIN was an unindicted co-conspirator in *U.S. v. Goldshmidt, et al.*, 13-MAG-0828 (S.D.N.Y. 2013). In the indictment in that matter, attached to this Complaint as **Exhibit EE**, from February 2012 through at least March 27, 2013, Defendant WAINSTEIN went to great lengths to unlawfully promote and manipulate the market of a bogus and utterly worthless stock for the company Face Up Entertainment Group, Inc. A company that did not actually exist. See pages 6 and 7 of the indictment, **Exhibit EE**. WAINSTEIN is identified as CC-1 (co-conspirator 1) in the indictment.

30. Defendant WAINSTEIN was not indicted in the Face Up Entertainment scam because he was forced to turn on his comrades and provide material support to the Government. See **Exhibit EE**, at pg. 2. WAINSTAIN did not provide material support because he realized the error of his ways, but rather because his comrades turned on him. As the U.S. Attorney for the Southern District of New York stated:

> "As alleged, these defendants preyed on unsuspecting investors by manipulating the share price of a publicly traded stock in a classic 'pump and dump' scheme that they thought

would reap big dividends. But when their pot of gold failed to materialize, **they allegedly turned on a co-conspirator with threats and extortion, showing that their greed was strong enough to make them turn to violence**."

31. The indictment further provides Defendant WAINSTEIN, communicating through prepaid cellular telephones to avoid detection, openly discussed price manipulation with his fellow co-conspirators. See **Exhibit EE**, page 12, and *passim*.

32. Defendant WAINSTEIN has run numerous other pump-and-dump scams including, but not limited to, worthless companies Optimum Interactive (USA) Ltd. (OPTL), Internet Defender, Inc. (YIDI); Alternative Energy Group (AEGY); and SK3 Group (SKTO).

33. Defendant WELNER has been assisting her boyfriend WAINSTEIN in his securities scams for years, and has run her own fraudulent securities schemes as well. She was/is an officer at pump-and-dump worthless corporations Numobile Inc. (NUBL), Priority One Jets and Priority Aviation, Inc. (PJET). Priority Aviation, Inc. has a New York office which doubles as WELNER's office and the office for Defendant MASTIFF as well.

34. Defendant WELNER is the principal (and only member) of Madison Consulting Services, LLC which has an office at WELNER's home in Great Neck, Long Island. Madison Consulting Services, LLC held debt and stock in pump-and-dump scam company -- Electric Car Company, Inc. (ELCR). WELNER received money from ELCR, a company that, at no time, had actual assets. The 29,000 investors were left with nothing.

35. Defendant SEIFERT has been the CFO of numerous companies where he participated in securities pump-and-dump schemes concerning the stock of those companies, some of which resulted in criminal pleas against other officers and the market makers of the subject companies. SEIFERT's pump-and-dump scams include, but are not limited to:

GlobalNet Corp. (GLBT) formerly iDial, Evolucia, Inc (ILED), WhereverTV Broadcasting (TVTV), and The Nicholas Investment Company Inc. (GISBeX).

36. Defendant SEIFERT was going to be the CFO of the new corporate shell at bar which was to be listed as a penny stock. It appears Defendant SEIFERT is the go-to inside lackey for the MASTIFF Enterprise.

37. Defendant LEINWAND has been a very busy man in the world of securities fraud, and was involved in pump-and-dump schemes involving; 3D Eye Solutions, Inc. (TDEY), Minfpix Corp. (MPIX), EMAX Holding Corp. (EMXC), World Surveillance Group, Inc. (WSGI), Sanswire Corp. (SNSR), Georgetown Corp. (GTCP), Artyfest Int. Inc. (ARTS), and ProTek Capital, Inc. (PRPM), to name a few.

38. Defendant LEINWAND was instrumental in helping Przemyslaw Kostro and John Caterham orchestrate a pump-and-dump scheme that turned a $3.6 million investment into well over $21 million on the backs of World Surveillance Group Inc. (WSGI) investors. Defendant LEINWAND never registered his nine million shares of WSGI, which he dumped for a very tidy profit.

39. Defendant LEINWAND is also a sought after attorney by criminals to write Attorney Letters and Opinion Letters verifying the worth of worthless companies like Smart Holdings Inc. (SMHS)(SEC Freeze); ProTek Capital, Inc. (PRPM)(SEC freeze, arrests and litigation); 3d Eye Solutions, Inc. (TDEY)(SEC litigation); and, Sanswire Corp. (SNSR)(litigation). LEINWAND support all of the forgoing companies knowing they were worthless at the time he wrote his attorney and/or opinion letters.

40. LEINWAND's company GlobeTel Communications (GTEM) was shut down by the SEC as a scam after it was delisted. Defendant LEINWAND was not just the corporate

counsel for GTEM, he moved over to become CEO. The company issued dozens of false press releases under Defendant LEINWAND, pumping up the stock until the dump.

41. Defendant LEINWAND was also counsel, officer and major share-holder of PGS Pharmaceuticals Group, which appears as a cautionary tale about foreign boiler rooms in an Australian government pamphlet called the "*Little Black Book of Scams*."

42. Defendant LEINWAND ruthlessly acts as general counsel, outside counsel, officer, director and majority shareholder in numerous companies in which he pumps the stock price up to the detriment of the general public. It only makes sense that Defendants WAINSTAIN and WELNER would seek the aide of this nefarious individual to join the MASTIFF Enterprise.

43. Defendant LEINWAND learned the stock fraud trade from his father-in-law, Leonard Rosenberg, with whom he worked with on several fraudulent pump-and-dump scams. Rosenberg had numerous actions taken against him by the SEC for fraud, see, e.g., SEC Digest located at http://www.sec.gov/news/digest/1999/dig042199.pdf. Rosenberg was eventually arrested and went to jail for fraud in Canada. The February 25, 2006 Global Advisor had this to say about Defendant LEINWAND's father-in-law and partner:

> After more than a decade of investigations, inquiries and preliminary hearings, Rosenberg pleaded guilty in April, 1993, to 13 counts of fraud. Crown prosecutors said the fraud cost investors more than $131 million.
>
> Rosenberg spent barely a year of his five-year sentence in jail. He was granted full parole on Oct. 31, 1994. Parole board records show he faced a contraband charge while inside that was later dismissed. Some prison officials opposed his parole, arguing in documents that they had seen an increase in fraudulent behaviour by Rosenberg and a lack of respect for rules "similar to that toward defrauded institutions." In fact, his case-management team "strongly opposed" his release on day parole. But the parole board decided that he showed remorse.
>
> After his release, Rosenberg returned to Miami, where he and his wife, Renée, had a mansion. **He dabbled in a few businesses and became a consultant to a company run**

> **by his daughter Alison, Value Holdings Ltd.** It held investments in a number of companies, including a few lumber businesses in Canada, but ran out of money in 2001."

See http://www.globeadvisor.com/servlet/ArticleNews/story/gam/20061124/RO12COLLECTED

44. On June 15, 1996, a consulting agreement was signed where Rosenberg's Value Holdings (VALH) paid Gemini Integrated Financial (LEINWAND) for no-show consulting services. http://www.secinfo.com/dxHAg.76.d.htm

45. In 1999, LEINWAND became corporate counsel for Value Holdings, Inc., in addition to his duties as corporate counsel and officer for Gemini Integrated Financial. (LEINWAND would also later become an officer of Value Holdings).

46. On November 27, 2000, Value Holding financials showed: "Additionally, a debt of $195,662 representing accrued consulting fees owed to Gemini Integrated Financial Services Corp. was converted into 5,590,343 shares of Common Stock." Renee Rosenberg and Defendant LEINWAND are behind Gemini, of course.

47. On July 31, 2001, VALH filed their last financials, reporting: "a net loss of $5,520,002 for the prior nine months." Every penny in the fictitious company went to LEINWAND and his mother-in-law, and the thousands of investors were left with nothing.

48. That wasn't enough for LEINWAND. On August 30, 2006, LEINWAND got Value Holdings reinstated as a corporation. On July 9, 2007, LEINWAND changed the name of the company to Galea Life Sciences and completed a 25/1 reverse split. LEINWAND then merged Galea Life with Innovative Technology Acquisition Corp (ITAQ) by giving two shares of Galea Life for every share of Innovative Technology.

49. On June 23, 2008, the SEC finally stepped in and suspended trading of VALH. All of the worthless companies above – ITAQ, VALH and GLSN (Galea Life Sciences, Inc.) were pumped up with false press releases, and LEINWAND and his family dumped their shares,

destroying all investor value. The SEC revoked the registration of GLSN on April 1, 2013. See http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=3291231

50. Defendant GEORGETOWN trades under (GTCP) and is a colossal scam. Georgetown Corp. (formerly Yukonic Minerals Corp.) describes itself as an "Exploration Stage Company with a principal business plan to acquire, explore and develop mineral properties and ultimately seek earnings by exploiting mineral claims."

51. GEORGETOWN has not generated any revenue to date. Georgetown Corp. was Yukonic Minerals Corp. until January 24, 2012. On January 10, 2012, the Board of Directors of Yukonic Minerals authorized a 1:400 forward split of its issued and outstanding common shares. As a result, the issued and outstanding shares increased from 1.35 million shares to 540 million following the forward split. This is a classic pump-and-dump scam.

52. GEOREGTOWN's former President and CEO, Mackie Barch is the current President and CEO of Sunpeaks Ventures (SNPK), a recent pump-and-dump scam involving a company run into non-existence.

53. The original address for GEORGETOWN/Yukonic/GTCP was a Mail Boxes Etc. located at142-108 Elliot Street, Whitehorse, Yukon Territory Y1A 6C.

54. The Market Maker for GTCP stock was Spartan Securities Group, LTD ("SSG") (CRD #104478, Clearwater, Florida). SSG admitted to its fraudulent stock promotion scams involving various companies including GTCP. SSG was forced to submit a "Letter of Acceptance, Waiver and Consent" in which SSG was censured, fined $52,500 and required to revise its Written Supervisory Procedures regarding its: supervisory system, procedures and qualifications; order handling; best execution; anti-intimidation/coordination; trade reporting;

short sale transactions; other trading rules; OATS; books and records; the Sub-Penny Rule; and review for compliance of incoming, outgoing and internal electronic communications.

55. In recent 10-Q filings, Defendant GEORGETOWN's cash on hand and current assets for the last four quarters was $0.00.

56. Defendant MASTIFF lists only Defendants SOKOLOFF and LEINWAND as principals, but SEIFERT, WELNER and WAINSTEIN have all represented they are agents and/or employees of Defendant MASTIFF. This non-existent company is only the latest shell used by these charlatans. Defendant MASTIFF has been at the center of numerous false announcements, made in an effort to run stock prices up at other pump-and-dump targets on behalf of the MASTIFF ENTERPRISE.

57. What can't be forgotten is behind all of these scams are thousands of hard-working honest individuals who were victimized by the RICO Defendants.

NEXUS OF SCAMS

58. The MASTIFF Enterprise has worked on numerous criminal stock frauds and there is a substantial nexus with the above fraudulent scams and the MASTIFF Enterprise.

59. Defendant MASTIFF lists an address at 130 Thomas Street, which is also the office listed for Defendant WELNER as well as the office for WELNER's fictitious company Priority Aviation, Inc. See **Exhibit GG** attached to this Complaint.

60. Defendant WELNER is an officer and on the Board of Directors of Priority One Jets and Priority Aviation, Inc. Pump-and-dump scam company NuMobile, Inc., which is worthless of course, was reverse merged into Priority Aviation, Inc., another worthless company. Defendants LEINWAND, SOKOLOFF and MASTIFF GROUP are three of the largest

shareholders of Priority Aviation, Inc. with 2,500,000 shares each. Defendant WELNER owns 17,255,000 shares in the company.

61. In the Sanswire scam, LEINWAND, a massive share-holder, brought in his buddy Defendant SEIFERT to be CFO, and even issued a press release claiming:

> "'Since Thomas became a consultant to Sanswire in 2007, he has been an integral part of our efforts to bring the Company up-to-date in its fiscal filings,' said Jonathan Leinwand, CEO of Sanswire. 'He has been focused on rectifying Sanswire's previous issues and ensuring that we become current in our reporting requirements with the Commission so that we can begin to concentrate our efforts on our next stages of growth and development. We are thrilled to have Thomas become part of our core management team and we are fortunate to have such an experienced and well-respected professional as part of Sanswire.'"

Attached as **Exhibit FF** is the Sanswire Press Release. Sanswire was, of course, worthless, and the press release a tool to pump up the stock before LEINWAND, and the MASTIFF Enterprise dumped it.

62. In the Pro-Tek Capital, Inc. scam, Defendant LEINWAND was the incorporator, registered agent and officer of this worthless company. Defendants MASTIFF and SOKOLOFF announced a $5,000,000 investment on Pro-Tek, which, shockingly, never happened; but did get the price temporarily up. Prior to the announcement, Defendant MASTIFF received tens of millions of shares, and Defendant LEINWAND, as counsel for Pro-Tek, issued numerous press releases that temporarily drove the stock up. Defendant SOKOLOFF sold the stock right before the collapse.

63. In another scam, Defendant MASTIFF held 7,640,000 shares of Directview Holdings, Inc. (DIRV), Defendant WELNER and Defendant SOKOLOFF also held 7,640,000 each. DIRV's CEO, Roger Ralston, was found guilty of participating in a data equipment scam and was forced to spend five months in prison. More than 15 million new shares were issued from August 19, 2013 and November 19, 2013, and prior to that, a lot more stock was issued at

$0.001 per share as a conversion of notes. This was a classic pump-and-dump scam. After the stock reached its high in April of 2014, Defendants sold their shares, and the stock quickly plummeted from $.043 on April 26 to $.0050 months later. For the Defendants, they were able to get $328,520.00 each for their block of shares. For the investors that bought those shares, they were worth $38,200 eight weeks later.

64. In the pump leading up to the dump of bogus company 3D Entertainment Holding, Co., on December 16, 2013, Defendant MASTIFF received 10,714,286 shares, and then again on January 6, 2014, Defendant MASTIFF received an additional 10,714,286 shares. On February 11, 2014, Defendant MASTIFF received 57,152,847 shares. On February 3, 2014, Defendant MASTIFF received 57,152,847 shares. On March 3, 2015, Defendant MASTIFF received 50,000,000 shares. On March 19, 2015, Defendant MASTIFF received an additional 50,000,000 shares.

65. Jonathan D. Leinwand, P.A. was legal counsel to the worthless company. Defendant LEINWAND was pumping the stock as an attorney while Defendant MASTIFF was receiving massive blocks of stock. The CEO, Eddie Vasker, was arrested for his role in the pump-and-dump scheme, and sentenced to $55,000 restitution and a four year deferred sentence. Nothing new for Vasker who was sent to jail for his role in Artyfest Int. Inc. (ARTS), and ProTek Capital, Inc. (PRPM)(other worthless fraudulent companies Defendant LEINWAND shilled for.)

66. The Securities and Exchange Commission filed a complaint against Big Apple Consulting USA, Inc. ("Big Apple"), a shareholder of 3D Eye Solutions, and three principals of Big Apple including Marc Jablon, the President and CEO of Big Apple Consulting and the former Chairman of 3D Eye Solutions, Inc. The Complaint, filed on November 18, 2009, case

number 6:09-cv-01963-JA-GJK, alleging violations of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, all in connection with the filing of false press releases and other activities of a former client of Big Apple, starting in November 2005 through March 19, 2007. The Court rendered a verdict finding Big Apple and the principals guilty.

67. Defendant LEINWAND, of course, was the attorney for Big Apple Consulting.

68. In another example of the Mastiff Enterprise at work, WELNER through her shell Madison Consulting Services, held 27,757,000 shares in SK3 Group , Inc. (SKTO). Defendant WAINSTEIN through his shell Marjorie Group also held 27,757,000 shares in SK3 Group, Inc. (SKTO). Together WELNER and WAINSTEIN together were by far the largest shareholder before they started dumping their stock.

69. SK3 Group (SKTO) and its partner Alternative Energy Partners, Inc. (AEGY) are two of the most interesting securities scams which MASTIFF Enterprise actors WAINSTEIN and WELNER participated. These worthless companies announced a merger and then rebranded themselves as marijuana distributers. The scammers then issued a press release on May 11, 2013 claiming SKTO had purchased companies "medicalgreens.com" and "medicalgreensdirect.com". SKTO claimed "Medical Green has $12,000,000 in contracts", and in a March 22, 2014 press release, SKTO announced Medical Greens had $30,000,000 in contracts. The problem was that the domain names were actually purchased on February 25, 2013 and the websites did not go live until March 19, 2013. Also, no companies actually existed. The trademark for Medical Greens was applied for on March 12, 2013 by "I EQUITY CORP" with a date of first use of February 25, 2013 (the same day the domain names for the websites was purchased). I EQUITY CORP. is controlled by Henry Jan and Robert Hipple. Hipple filed all of the stock increases for SKTO.

Problem is, on March 11, 2010, Hipple was banned for 5 years by the SEC from these very activities.

70. The SKTO stock jumped from $.0006 on March 11, 2013 to $.0459 on March 22, 2013 – a 7,550% increase. Defendants sold before June 6, 2014, the date the SEC stepped in and suspended trading of this worthless, fictitious shell company. The SEC found:

> It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of SK3 Group, Inc. because of questions concerning the accuracy and adequacy of publicly available information about the company, including, among other things, its business activities, the control of the company, and trading in its securities. SK3 Group, Inc. is a Delaware corporation with a business address in Los Angeles, California and its common stock is quoted on OTC Link under the ticker symbol SKTO.

71. A line has been drawn, and these criminals must be stopped before they are allowed to defraud thousands of additional hard working individuals. The RICO Defendants act with a complete disregard for the law in this Judicial District, and will certainly continue to act with impunity without the aid of this honorable Court.

HISTORY OF THE PRESENT SCAM

72. Anthony Giorgio was originally introduced to Defendants WAINSTEIN and WELNER in 2011 by Michael Tew. Tew was recommended to Giorgio by then potential partner the Tactical Products Group. Based on this introduction, Mr. Giorgio trusted WAINSTEIN and WELNER. Mr. Tew, however, has now admitted he did not know either WAINSTEIN or WELNER, and lied about having a relationship with these individuals.

73. Defendants WAINSTAIN and WELNER attempted to run a fraudulent investment scam in 2011-12 under the guise of providing a capital investment to SPA-SIMRAD, but Mr. Giorgio eventually rejected the deal. In December of 2013, circumstances changed, and

Mr. Giorgio was in desperate need of capital for SPA-SIMRAD. This was the opening Defendants WAINSTAIN and WELNER needed. WAINSTEIN and WELNER participated in a conference call from New York with SPA-SIMRAD's CEO Giorgio and its outside counsel Jason Buratti to discuss funding for SPA-SIMRAD.

74. In 2011-12, Defendants WAINSTEIN and WELNER did not claim to be part of any organization, but that changed in December of 2013 when WAINSTAIN and WELNER claimed to be agents and/or employees of Defendant MASTIFF. A new player appeared in addition to Defendant MASTIFF, and that was attorney and principal of MASTIFF – Defendant LEINWAND.

75. At all relevant times, Defendant MASTIFF maintained a fraudulent website located at <www.mastifflccom> (the "Mastiff Website").

76. Buratti, on behalf of SPA-SIMRAD, visited the Mastiff Website before the December phone conference and subsequent January 7, 2014 meeting. The Mastiff Website was transmitted by a means of wire communication.

77. The Mastiff Website describes the company as:

> "We're experts who have handled the problems public companies face, with an array of methods for solving those problems. They range from investment to restructuring. For each of our clients, we can assemble complex tactics into a cohesive strategy."

78. Defendant MASTIFF and its Principals LEINWAND and SOKOLOFF and agents/employees WELNER, WAINSTEIN and SEIFERT do not solve companies problems, or offer solutions. This is a fraud, in fact, the entire website is a fraud. It is designed to induce individuals and companies, like SPA-SIMRAD, into believing Defendant MASTIFF is an actual company. In fact, it sets a trap for real companies into believing this fictitious shell is in the business of assisting companies solve funding and finance problems. That is a complete farce. It

is also designed to lend credibility to the numerous false press releases sent by a means of wire communication designed to drive stock prices up for bogus companies so the RICO Defendants can run their securities scams on behalf of the MASTIFF Enterprise.

79. The Mastiff Website is replete with other blatantly fraudulent statements. It describes Defendant LEINWAND as:

> "Jonathan has served as general counsel and advisor on capital markets and fund raising. He's been a Board appointed specialist to turn companies around. Jonathan's expertise in OTC and SEC regulations has made him a sought after attorney and advisor for micro-cap companies. He has raised $20 million in the last three years for public companies."

80. Defendant LEINWAND has not "turned companies around", no less been appointed by any Board of Directors which resulted in "turning that company around." LEINWAND is sought after only by other pump-and-dump criminals to participate in their scams. Defendant LEINWAND has also not raised $20,000,000 in funding. He may have raised that much in promoting and participating in securities scams.

81. On or about January 7, 2014, Giorgio also viewed the Mastiff Website, and the myriad of fraudulent had its intended affect – Giorgio believed Defendant MASTIF was a legitimate company. After reading: BUISESS REENGINEERING

> "Mastiff takes a top down approach to business reengineering that has been proven effective as building blocks for transforming an entire business. Our careful analysis of the current workflows and processes, as well as our unique perspective provides our customers with exactly the solutions that they need for their business,"

Giorgio trusted Defendant MASTIFF and believed Defendant LEINWAND was a legitimate expert in "Business Reengineering."

82. All of this proved to be blatant fabrications, and the result was the ultimate destruction of SPA-SIMRAD.

83. On January 7, 2014, Giorgio and Plaintiff's attorney Jason Buratti, met at LEINWAND's law office in Fort Lauderdale, which is also the Florida office of MASTIFF. LEINWAND, Giorgio, and Buratti, along with WELNER and WAINSTEIN, discussed a possible investment or in the alternative, seeking an entity to acquire part of SPA-SIMRAD. The RICO Defendants represented they had funds available to close a deal immediately that would have provided an initial capital investment to Plaintiff of $300,000. This was a lie.

84. The RICO Defendants, through WAINSTEIN, WELNER and LEINWAND, told Giorgio and Buratti at the January 7, 2014 meeting "not to look for other opportunities, we are in." See page 2 **Exhibit K**. The RICO Defendants were informed at the January 7 meeting that SPA-SIMRAD intended to attend the "Shot Show" in Vegas later that January. The Shot Show was vital to developing other investment vehicles and opportunities for SPA-SIMRAD. The Shot Show was specifically discussed, and later abandoned by SPA-SIMRAD, at the express direction, and in reliance, on the statements made at the January 7 meeting. The Shot Show was just one of many major funding opportunity lost by SPA-SIMRAD directly due to the misrepresentations of the RICO Defendants.

85. On January 10, 2014, the RICO Defendants presented SPA-SIMRAD with a Letter of Intent ("LOI") sent from New York by wire to Giorgio, laying out the preliminary terms and conditions of the deal. The LOI stated the deal as follows: "[A] proposed 'reverse' acquisition ("Acquisition") by Pubco, a publicly traded vehicle to be determined, of all outstanding capital stock and/or membership interests of SPA-SIMRAD." Attached as **Exhibit B** is a true and accurate copy of the Letter of Intent.

86. This was followed by a hard copy sent by the US mail.

87. On or about January 10, 2014, Defendant WELNER, on behalf of the RICO Defendants, promised the draft agreements for the deal would be delivered to SPA-SIMRAD within a week. SPA-SIMRAD informed the RICO Defendants that it required capital immediately, but in no case later than March 15, 2014. Jason Buratti, on behalf of SPA-SIMRAD, told the RICO Defendants that if they could not provide capital by that date, SPA-SIMRAD would have to find other sources of funding. Once again, the RICO Defendants expressly stated that SPA-SIMRAD should not look for alternative forms of funding, they had the capital readily available.

88. The terms of the LOI stated that the Closing would occur no later than March 15, 2014, or the LOI would expire. As agreed upon by all parties at the January 7, 2014 meeting, Defendant MASTIFF would provide SPA-SIMRAD with funding in the amount of $300,000 at closing and another $600,000 in two subsequent payments. In return, "'Pubco' would acquire all of the outstanding stock and/or membership interests of SPA-SIMRAD, Inc.," and SPA-SIMRAD would "become an independent wholly owned subsidiary of Pubco." See **Exhibit B** at ¶ 1 and § 1, respectively.

89. Shortly after, Defendant WELNER sent a February 4, 2014 e-mail from New York informing SPA-SIMRAD that the deal documents promised weeks earlier had not even been drafted. Jason Buratti called Defendants WAINSTEIN and WELNER in New York and informed the RICO Defendants that unless all documents were produced and finalized by the March 15, 2014 date, SPA-SIMRAD would require a Bridge Loan to pay its vendors and contracts. All parties agreed in principal that a Bridge Loan would be funded in the event of delays that pushed the closing to after the March 15, 2014 date.

90. On February 12, 2014, Jason Buratti provided the requested vendor contracts and reiterated that "closing asap in lieu of a bridge loan would be great." See Page 2 of **Exhibit C** attached to this Complaint.

91. In an email dated Feb. 12, 2014 and sent from Long Island, New York, WELNER on behalf of the RICO Defendants, requested SPA-SIMRAD "provide items addressed in the schedules of the agreements. This will help us to do the diligence while we progress on the documents." The February 12, 2014 email is attached as **Exhibit C**; see due diligence section supra.

92. On February 25, 2014, SPA-SIMRAD sent an invitation to RICO Defendants LEINWAND, WELNER and WAINSTEIN to a "Drop-Box" containing every document satisfying the due diligence requests of the RICO Defendants. Attached as **Exhibit D** is a true and accurate copy of the February 25, 2014 email from Jason Buratti to the RICO Defendants. This fulfilled all due diligence requested by the RICO Defendants, and significantly more.

93. The RICO Defendants failed, at any time, to send a single document in response to SPA-SIMRAD's due diligence request.

94. The RICO Defendants then began requesting due diligence which was already in the Drop-Box, and used this as an excuse to avoid drafting the Merger Agreement. In the week before the March 15 deadline, the RICO Defendants simply disappeared, refusing to respond to numerous e-mails and phone calls.

95. Being that the RICO Defendants refused to draft the Merger Agreement by the March 15, 2014 deadline, the LOI technically lapsed. All parties, however, agreed to continue with the deal despite the March 15 deadline passing. SPA-SIMRAD had no choice; the massive

delay by the RICO Defendants deprived SPA-SIMRAD of the ability to locate an alternate funding source, something it could have easily done.

96. SPA-SIMRAD relied on the misrepresentations of the RICO Defendants and represented to its key vendor it would be able to fund the order, which would have required an immediate payment to put the line into production. This was, in fact, SPA-SIMRAD's largest vendor with whom it conducts some eighty-five percent (85%) of its business.

97. On or about March 20, 2014, SPA-SIMRAD, unable to fund the production, informed the RICO Defendants it would require the Bridge Loan, due to the RICO Defendants' delays in closing, and in order to fulfill the production orders and contracts, which it had previously entered into with vendors and customers. Attached as **Exhibit F** is a true and accurate copy of the March 20, 2014 email from Jason Buratti to the RICO Defendants.

98. The RICO Defendants agreed to fund the Bridge Loan, prior to finalizing of the Bridge Loan document, just to prevent the imminent demise of SPA-SIMRAD.

99. On March 21, 2014, SPA-SIMRAD reaffirmed that a Bridge Loan must be integrated into the Merger Agreement in order for SPA-SIMRAD to fulfill its purchase orders with vendors. The purchase orders in question were made in reliance on the March 15, 2014 closing, and the repeated promise by the RICO Defendants that the Bridge Loan would be funded. Attached as **Exhibit G** is a true and accurate copy of the March 21, 2014 email from Jason Buratti to the RICO Defendants.

100. Both RICO Defendants and SPA-SIMRAD agreed that the Bridge Loan would be integrated into the Merger Agreement under section 5.5 and 7.4(a) of the AGREEMENT AND PLAN OF MERGER AND REORGANIZATION BY AND AMONG GEORGETOWN CORP,

GTCP MERGER SUB, INC. AND SPA-SIMRAD, INC. (the “Merger Agreement”). Attached as **Exhibit H** is a true and accurate copy of the Merger Agreement dated May 1, 2014.

101. On or about March 26, 2014, Jason Buratti offered two Bridge Loan options to the RICO Defendants which would enable SPA-SIMRAD to fulfill all purchase orders and contracts with its vendors and customers. Attached as **Exhibit I**, at pg.2, is a true and accurate copy of the March 26, 2014 email from Jason Buratti to the RICO Defendants.

102. Again, the RICO Defendants agreed to a Bridge Loan which would be funded immediately; this obviously did not happen.

103. Repeated requests were made to fund the Bridge Loan, but the RICO Defendants initially ignored these requests.

104. On March 31, the RICO Defendants promised to fund the Bridge Loan but again unjustifiably delayed. This was simply another material representations regarding funding. The RICO Defendants were informed by Jason Buratti that if the Bridge Loan was not funded, SPA-SIMRAD would miss the deadline with its key vendor. Each time the RICO Defendants swore the Bridge Loan would be funded, SPA-SIMRAD went back to its key vendor and promised it would be paid. Finally, SPA-SIMRAD’s key vendor, furious with the repeated missed deadlines, sent a letter stating it would cut off SPA-SIMRAD, which would effectively force SPA-SIMRAD to close its doors.

105. The fact that SPA-SIMRAD was tricked into foregoing other opportunities that would have resulted in alternative funding solutions was relayed to the RICO Defendants. SPA-SIMRAD’s reliance on the repeated misrepresentations also resulted in other vendor relationships being compromised.

106. On April 1, 2014, the RICO Defendants sent a very rough draft of a Bridge Loan Promissory Note to Plaintiff. Attached as **Exhibit J** is a true and accurate copy of the April 1, 2014 email from LEINWAND to Paul Silverberg.

107. On April 23, 2014, Anthony Giorgio contacted Defendant WAINSTEIN in New York to express concern and frustration regarding the RICO Defendants' repeated delays in fulfilling their end of the agreement to fund the SPA-SIMRAD merger. Defendant WAINSTEIN responded with an "apology" and an assurance that he would "find out what's going on and get back to him." Attached as **Exhibit K** is a true and accurate copy of the April 23, 2014 emails between Anthony Giorgio and WAINSTEIN.

108. After plotting with the other members of MASTIFF Enterprise, Defendant WAINSTEIN called Giorgio from New York and suggested a conference with Giorgio take place the next day. At that phone conference, Defendant WAINSTAIN, in Queens, promised the Bridge Loan documents would be executed and the loan funded within 24 hours.

109. On or about April 29, 2014 and again on May 2, 2014, RICO Defendants WAINSTAIN and WELNER again promised to have the Bridge Loan documents signed and provide the funding.

110. From May 1 to May 2, 2014, the RICO Defendants and SPA-SIMRAD agreed upon the form of an acquisition agreement (and security agreement) and SPA-SIMRAD signed both. The soft close required the RICO Defendants to fund the $170,000.00 bridge loan – a promise the RICO Defendants repeatedly made, and failed to do.

111. The hard close was contingent upon licensing of the merger subsidiary; licenses the RICO Defendants agreed would be applied for after the Bridge was funded.

112. From May 3-5, 2014, the RICO Defendants continued to unjustifiably delay without good faith or diligence and made material representations that turn out to be false. The RICO Defendants represented the Bridge Loan and the signed documents would arrive each day in this period. Again, these were nothing but the false promises of true professional confidence men and women.

113. Finally on May 6, 2014, Defendant LEINWAND responded to the delays blaming them on "issues with the entity side" but that he was "working with the CFO/Director of that company as he is the one that needs to sign off on everything". He further blamed the delay on the changing of the structure from a bridge instead of an acquisition. He later assured Anthony Giorgio that the CFO of GTCP would be ready to close on that Friday (May 9, 2014). Attached as **Exhibit L**, pg. 2, is a true and accurate copy of the May 6, 2014 email from LEINWAND to Tony Giorgio.

114. The "entity side" issues purportedly lied with Defendant GEOGETOWN CORP. As we now know, Defendant GEORGETOWN CORP. is an empty, asset-less shell, incapable of funding any loan.

115. On May 9, 2014, the RICO Defendants finally followed through with one promise and returned the signed Promissory Note to SPA-SIMRAD. The Bridge Loan, however, would not be funded that day, or any day. Attached as **Exhibit M**, pg.2, is a true and accurate copy of the May 9, 2014 email from LEINWAND to Jason Buratti.

116. It was not until May 12, 2014, that Defendant LEINWAND finally admitted that there was no money available despite multiple and repeated promises that it funds were available and the loan would be funded. Defendant LEINWAND explained, "Do you really think that if

the money was ready we would hold the wire?" Attached as **Exhibit N** is a true and accurate copy of the May 12, 2014 email chain from LEINWAND to Jason Buratti.

117. Despite the May 12 representation that there was no money, on or about May 14, 2014, Defendant LEINWAND again promised the Bridge Loan would be funded by 2:00 pm that day; it was not. Attached as **Exhibit N** is a true and accurate copy of the May 14, 2014 email from Jason Buratti to LEINWAND summarizing the May 14 conversation.

118. Again on May 20, 2014, the RICO Defendants assured SPA-SIMRAD that the Bridge Loan funding would be wired to its account by 2:00 pm that day. SPA-SIMRAD also requested further information about the shell corporation in order to complete the ATF application and upon receipt of both the information and Bridge Loan it would file the applications. The Bridge Loan was not funded. Attached as **Exhibit P** is a true and accurate copy of the May 20, 2014 email chain from Jason Buratti to WAINSTEIN.

119. On May 23, 2014, SPA-SIMRAD once again contacted the RICO Defendants regarding the phone conversations between SPA-SIMRAD and WAINSTEIN and LEINWAND and the RICO Defendants' promise to transfer the funds for the Bridge Loan in order to allow SPA-SIMRAD to make payments to its key vendor. Attached as **Exhibit Q**, at pg. 2, is a true and accurate copy of the May 23, 2014 email chain highlighting the relevant correspondence between Jason Buratti and LEINWAND.

120. Finally on June 2, 2014, Defendant WAINSTEIN contacted SPA-SIMRAD regarding funding of the Bridge Loan and again promised a return call that afternoon to discuss the funding schedule for the full amount of the loan. In the follow-up call, WAINSTEIN committed anew to funding the Bridge Loan and would "report on the timing of funding later

that evening”. Attached as **Exhibit R** is a true and accurate copy of the June 2, 2014 email chain highlighting the relevant correspondence between Jason Buratti and WAINSTEIN.

121. On June 4, 2014, SPA-SIMRAD explained to the RICO Defendants that based on their most recent assurance to fund the Bridge Loan, SPA-SIMRAD accepted a vendor’s offer to distribute the vendor products in Israel under SPA-SIMRAD’s exclusive distribution agreement. A deal that would produce millions over the next few years.

122. SPA-SIMRAD requested that if the RICO Defendants make their intentions to fund the Bridge Loan clear. The RICO Defendants responded by not returning any communication. See **Exhibit R** June 4, 2014 email from Jason Buratti to LEINWAND and WAINSTEIN.

123. Left with no other choice, on June 11, 2014 SPA-SIMRAD sent a “Notice of Material Breach, Termination, and Damages and Other Claims” letter to the Defendants for their repeated material and fraudulent misrepresentations. Attached as **Exhibit T** is a true and accurate copy of the June 11, 2014 Notice of Material Breach, Termination and Damages and Other Claims letter.

124. The real plan of the RICO Defendants was to wrap SPA-SIMRAD into another one of the RICO Defendants’ securities fraud schemes and make significant money at the expense of not only SPA-SIMRAD but the working-class consumers that would be tricked into buying the stock.

125. SPA-SIMRAD, to its own detriment relied on the RICO Defendants’ repeated and regular promises to fund the Bridge Loan. The delays caused even more damage to the professional relationships that SPA-SIMRAD had spent years cultivating.

126. Because of the acts and omissions of the RICO Defendants, SPA-SIMRAD was unable to uphold its obligations under the purchase agreements with its vendors; one in particular was SPA-SIMRAD's largest vendor with whom it conducted about eighty-five percent (85%) of its business. The RICO Defendants were repeatedly informed of this fact, and they repeatedly promised, and failed, to fund the Bridge Loan. The business relationship between SPA-SIMRAD and its key vendor was intentionally destroyed by the RICO Defendants and resulted in the loss of over ten million dollars ($10,000,000) in revenue to SPA-SIMRAD.

127. Defendant GEORGETOWN has no assets, and can't raise money -- even for itself. It was forced to pay 10% interest on a short-term loan of $15,000.00 on January 20, 2012 from KAREV INVESTMENTS, INC. Georgetown Corp. was anything but a perfect fit for SPA-SIMRAD, after all, the fictitious company describes itself as follows:

> "The company will continue with its original mandate of exploration, but will also seek to provide specialized oilfield services and equipment primarily to independent and major oilfield companies engaged in the exploration, production and development of oil and gas properties throughout the United States."

128. In a recent press release, Georgetown Corp. announced its goal was to:

> "In the near term, the new management wishes to increase the service capabilities both for onshore and offshore platforms."

129. This is not the first time the RICO Defendants have used phony offers of loans to manipulate stocks and destroy companies.

130. After receiving hundreds of millions of shares in ProTek Capital (PRPM), Defendant MASTIFF and PRPM announced on May 7, 2014:

> "The commitment by Mastiff LLC is to provide up to $ 5,000,000.00 for next several years. The company and its management have discretionary right to invest, assist and/or acquire companies and projects in the marijuana market space. This will include related fields and supplier chain for the products and services.

> "This is the first of many funding commitments and relationships that our company, Luxuriant Holdings Inc., will sign and develop for the benefit of investing and providing capital for the marijuana and related industry. Our plan is beginning to take shape as we develop and focus on strategic support that will lead in our ability to grow and expand our investment portfolio. This industry is so new, that new grounds and developments are being opened and explored. The sky is the limit here. Our management is more and more encouraged by the growing interest and developments that seem to surround and support the MMJ industry and this market space. One is quickly reminded by the growth and explosive developments of all kinds of opportunities that new unexplored business territories provide and encourage. This reminds me of the early stages in Internet, Software and New Media platform explosion, and parallel to the Industrial revolution and a hint of the "Gold Rush" from the past. This is why I'm extremely excited to build a company that is early to market with its business plan and concept," stated Mr. Jeffries."

131. PRPM did get a jump in stock price, followed by a quick dump of stock by the insiders, leaving the stock worthless.

132. The RICO Defendants form a criminal enterprise and will go to any length in their on-going series of fraudulent schemes. At bar it meant destroying a good company and the lives of good people.

133. Not only did the acts and omissions of the RICO Defendants cause SPA-SIMRAD to miss multiple deadlines with its key vendor and other business partners, it deprived SPA-SIMRAD of the opportunity to obtain alternative funding.

THE DEEPER IMPACT TO SPA-SIMRAD

134. Anthony Giorgio started SPA-SIMRAD in 1994 with a very small loan from his father who made a modest living as a barber for 45 years. Mr. Giorgio decided that the best way to earn a living for his family, and honor his military background, was to support law enforcement and the federal government with product and services that were not being offered. Mr. Giorgio also made a commitment that SPA-SIMRAD would, "take care of the guys in the

field first". With his knowledge of sniper rifles, scopes and optics, Mr. Giorgio grew SPA-SIMRAD into a vibrant business.

135. Mr. Giorgio was honored by the National Tactical Officers Association after Mr. Giorgio donated $300,000 in products to police agencies who could not afford night vision for their officers. Mr. Giorgio started the SPA/NTOA Police grant as an example for others to follow. Today that grant has given millions in police grants. SPA-SIMRAD's products have protected the U.S. President, Vice President, and members of the U.S. Congress and Senate since 1998, and played a key role in all Military actions including the battle for Fallujah were Mr. Giorgio set aside all other production orders to provide the U.S.M.C. with the night vision sights they desperately needed (and no other company could provide given the desired timelines.) Mr. Giorgio has received many awards for recognition for his service to this country and his spirit of giving back to those are in need who protect us every day.

136. SPA-SIMRAD employed ten (10) people who had worked there on the average of 12 years. All employees had to be let go as a direct result of the Defendants' fraudulent acts. Most of the employees had families to support. One 10 year employee had 3 young children, and a second employee of 12 years had a new born. A third employee of 12 years, who was just recently diagnosed with cancer, was forced to leave without medical insurance coverage, or a means of support. These are real people, and a real company, destroyed by the RICO Defendants' greed. Perhaps worse than the sacrifice SPA-SIMRAD and its employees have been forced to make, is the danger the RICO Defendants have visited on local law enforcement and our military men and women who are fighting for us right now.

RICO DEFENDANTS FALSLY CLAIM THAT SPA-SIMRAD WAS TO BLAME

137. After being informed that SPA-SIMRAD was filing the present action in this Court on a date specific, the RICO Defendants attempted to improperly forum shop by filing a jurisdictionally defective declaratory judgment in the Circuit Court for the 17th Judicial Circuit in and for Broward County, Florida (the "Florida Action") titled *Georgetown Corp. et al. v. SPA-Simrad, Inc*, 14-13850, falsely claiming that the Bridge Loan was not funded due to SPA-SIMRAD's failure to produce requested due diligence.

138. The Florida Action is nothing more than another fraudulent attempt to manipulate SPA-SIMRAD and the legal system by making this matter into a breach of contract case; it is not.

139. The documents, contracts and agreements involved were merely part of the fraudulent conveyance by which the RICO Defendants, on behalf of the MASTIFF GROUP Enterprise, attempted to defraud the Plaintiff (and would later defraud the investors in their securities scam). The documents, contracts and agreements at issue were induced by fraud, and each representation in the documents was fraudulent. Even the forum selection clause was fraudulent in that material misrepresentations were made with respect to this clause.

140. The RICO Defendants had no genuine interest whatsoever in due diligence, or funding the $900,000 indicated in the Merger Agreement. The RICO Defendants deliberately delayed drafting and signing the Merger Agreement to avoid the $300,000 payment due upon execution. The RICO Defendants sole objective was to damage SPA-SIMRAD and deprive it of every opportunity to obtain funding from legitimate sources.

141. Once again, this was a classic pump-and-dump, and the fundamentals meant nothing as long as they could start issuing stock and pumping up the price. Regardless, all due diligence requested from SPA-SIMRAD was produced, and significantly more.

142. The first reference to "due diligence" was a request in early February of 2014 for SPA-SIMRAD's contract with its main vendor, which, again, was 85% of SPA-SIMRAD's business.

143. On February 3, 2014, Defendant WELNER also requested SPA-SIMRAD update the financials previously disclosed in the failed 2011 deal. See Page 2 of **Exhibit E**. Jason Buratti responded to WELNER that updating the 2011 financials was exactly what SPA-SIMRAD expected to do. *Id*.

144. On February 4, 2014, WELNER stated the RICO Defendants also required projections prior to drafting the acquisition agreement and convertible debenture. See Page 1, **Exhibit E**. Shocked, Buratti replied that SPA-SIMRAD was told by the RICO Defendants to expect all draft documents by mid-January. *Id*. Now, not only were the draft documents not sent by mid-January, the RICO Defendants admitted they hadn't even started to draft them. Buratti responded February 4, 2014, that he would send the requested numbers later that day. *Id*.

145. On February 4, 2014, Jason Buratti again reiterated to Defendants WELNER, WAINSTEIN and LEINWAND, that any delay would put SPA-SIMRAD in jeopardy. Page 1 of **Exhibit E**.

146. Shortly after receipt of the February 4, 2014 emails above, Jason Buratti called WAINSTEIN and WELNER to request a clarification on the reason for the delay, and informed the RICO Defendants that unless all documents were produced and finalized by the March 15, 2014 date, SPA-SIMRAD would require a Bridge Loan because SPA-SIMRAD had already informed its primary vendor that it would be paid upon closing of the deal between the parties.

147. On February 12, 2014, Jason Buratti forwarded the contracts for the main vendors, and reiterates "closing asap in lieu of a bridge loan would be great." See Page 2 of **Exhibit C** attached.

148. On Feb. 12, 2014, WELNER, on behalf of the RICO Defendants, acknowledged that all contracts requested were received and she forwarded a draft acquisition agreement. WELNER then requested SPA-SIMRAD produce "all items addressed in the schedules for the agreements." See **Exhibit C**.

149. The forgoing are the only requests for due diligence ever made by the RICO Defendants.

150. On February 25, 2014, SPA-SIMRAD sent WELNER, WAINSTEIN, LEINWAND all "items addressed in the schedules for the agreements" and all updated documents to the prior to 2011 production. See a copy of the Dropbox sent attached as **Exhibit X**.

151. On February 28, 2014, SPA-SIMRAD sent their version of the Merger Plan and Subscription Agreement as well as the SPA-SIMRAD financial projections for 2014-2016 as requested by the RICO Defendants. Attached as **Exhibit Z** is a true and accurate copy of the February 28, 2014 email from Jason Buratti to WELNER. As of February 28, 2014, every single document and piece of information requested by the RICO Defendants was produced.

152. On March 3, 2014, Jason Buratti asked if there was any more documentation needed from SPA-SIMRAD to fulfill its diligence. Attached as **Exhibit AA** is a true and accurate copy of the March 3, 2014 email from Jason Buratti to the RICO Defendants. That same day WELNER responded that she was "trying to get through everything with a fine tooth comb

today. I will get back to you if we are missing anything." *Id*. WELNER never found anything missing.

153. On March 6, 2014, SPA-SIMRAD once again asked when the RICO Defendants would provide the diligence on the shell corporation and explained SPA-SIMRAD would assume no diligence on the merger sub. Defendant WELNER assured SPA-SIMRAD the RICO Defendants would deliver those documents the following week. Attached as **Exhibit AA** is a true and accurate copy of the March 6, 2014 email from Jason Buratti to WELNER and LEINWAND.

154. The only information Defendant LEINWAND provided about the shell corporation was in a May 20, 2014 email to SPA-SIMRAD, naming Defendant SEIFERT as the current officer and director of GTCP Merger Sub., Inc. and representing SEIFERT did not own any stock in the company. The current majority ownership would transfer from Georgetown Acquisition Group, LLC to SPA-SIMRAD upon closing of the acquisition. See **Exhibit CC**. That is it, not a single piece of paper was produced by the RICO Defendants.

155. From the first meeting in 2011, and over the five months of negotiations, false promises and misrepresentations were the only things given by the RICO Defendants. At no time did the RICO Defendants request additional due diligence, or state there was due diligence which was not produced.

156. The RICO Defendants never stated the diligence from SPA-SIMRAD was lacking documentation until Defendant WAINSTEIN emailed SPA-SIMRAD on June 13, 2014 about "a few questions that were never answered that were asked of the company". Defendant WAINSTEIN, however, never stated the substance of the mysterious questions he was referring. This arbitrary excuse and further delay came only after SPA-SIMRAD decided to cut ties with

the RICO DEFENDANTS and seek payment for the damages that SPA-SIMRAD incurred as a direct result of the RICO Defendants' fraud and attempted destruction of well-established company. Attached as **Exhibit DD** is a true and accurate copy of the June 13, 2014 email chain highlighting the relevant correspondence between Jason Buratti and WAINSTEIN .

157. Even now, when questioned about what due diligence was missing, the RICO Defendants provided a silly list seeking documents which were already produced, never requested and irrelevant. It was just another excuse.

158. Defendants made repeated intentional misrepresentations directly, or on their behalf, that the Bridge Loan would be funded.

159. Defendants made these representations to induce SPA-SIMRAD to enter into the Merger Agreement and give the RICO Defendants the ability to run their scheme, while putting up nothing of value.

160. All RICO Defendants knew the falsity of these statements at the time they were made.

161. In fact, in the March 12, 2014 email, Defendant LEINWAND admitted the prior promises regarding funding were false, and there was no money. This did not stop LEINWAND from promising a mere two days later that the Bridge Loan would be funded on that day.

162. On well-over ten separate occasions the promises to fund the Bridge Loan on specific times and dates was made by the RICO Defendants by use of a means of wire communication.

163. SPA-SIMRAD relied on these knowingly false representations and entered into various purchase orders and contracts, including one with SPA-SIMRAD's key vendor.

164. SPA-SIMRAD also relied on these statements to forgo other investment opportunities that would have saved the company. In fact, the RICO Defendants specifically instructed SPA-SIMRAD not to seek other investors or investment opportunities.

165. The RICO Defendants fraudulently promised to fund the Bridge Loan in order to engage in a scheme or schemes of consumer fraud.

166. The acts and omissions of the RICO Defendants were malicious, fraudulent and oppressive, justifying an award of punitive damages so that the Defendants will no longer engage in such conduct in the future and make an example of these charlatans to other scammers. Given their long track record of securities fraud, only a significant award of punitive damages will have any chance to alter the behavior of the RICO Defendants.

COUNT ONE

SUBSTANTIVE VIOLATION OF THE RACKATEER INFLUENCED CORRUPT ORGANIZATIONS ACT (18 U.S.C. §§ 1961(5), 1962(a-c), 1964(c)) Against All Defendants

167. Plaintiff re-alleges each and every allegation set forth above, and hereby incorporates same by reference, as if all were set forth fully herein.

168. Throughout the Relevant Period, Defendants WAINSTEIN, WELNER, LEINWAND, SEIFERT, SOKOLOFF, MASTIFF and GEORGETOWN constituted an "enterprise" engaged in interstate commerce pursuant to 18 U.S.C. § 1961(4).

169. Throughout the Relevant Period, the RICO Defendants were associated with or employed by the MASTIFF Enterprise, and committed at least two acts of racketeering activity within the last ten (10) years pursuant to 18 U.S.C. § 1961(d)(pattern of racketeering activity).

170. The RICO Defendants participated in the conduct of the MASTIFF Enterprise's affairs through a pattern of racketeering and committed numerous RICO predicate acts under 18

U.S.C. § 1343 by falsely representing in numerous emails, sent by a means of wire communication, that it would fund the Bridge Loan.

171. The RICO Defendants participated in the conduct of the MASTIFF Enterprise's affairs through a pattern of racketeering and committed numerous RICO predicate acts under 18 U.S.C. § 1343 by falsely representing in numerous emails, sent by a means of wire communication that it would provide funding through the fictitious GTCP Merger Sub.

172. The RICO Defendants participated in the conduct of the MASTIFF Enterprise's affairs through a pattern of racketeering and committed numerous RICO predicate acts under 18 U.S.C. § 1343 by falsely representing in numerous telephone conferences, transmitted by a means of wire communication, that it had funded the Bridge Loan, and on other occasions that it was about to fund the Bridge Loan.

173. The RICO Defendants participated in the conduct of the MASTIFF Enterprise's affairs through a pattern of racketeering and committed numerous RICO predicate acts under 18 U.S.C. § 1343 by falsely representing in numerous telephone conferences, transmitted by a means of wire communication, that it had the resources to fund the Bridge Loan. The RICO Defendants have already admitted that these were false representations sent by a means of wire communication.

174. The RICO Defendants participated in the conduct of the MASTIFF Enterprise's affairs through a pattern of racketeering and committed numerous RICO predicate acts under 18 U.S.C. § 1343 by falsely representing in numerous telephone conferences, transmitted by a means of wire communication, that it had the resources to fund the Bridge Loan. The RICO Defendants have already admitted that these were false representations sent by a means of wire communication.

175. The RICO Defendants participated in the conduct of the MASTIFF Enterprise's affairs through a pattern of racketeering and committed numerous RICO predicate acts under 18 U.S.C. § 1341 by, and through, hard copy documents sent through the US mail containing false statements made in furtherance of the fraud.

176. The RICO Defendants participated in the conduct of the MASTIFF Enterprise's affairs through a pattern of racketeering and committed numerous RICO predicate acts under 18 U.S.C. § 1343 by, and through, dozens of false statements made in numerous emails and telephone conferences, sent by a means of wire communication, seeking to induce SPA-SIMRAD to not seek other sources of funding.

177. The acts described herein represent separate predicates for violating the Martin Act, New York General Business Law article 23-A, sections 352-353 and constitute a Class E felony not to exceed four years pursuant to N.Y. GBS. LAW § 352-c.

178. The Rico Defendants racketeering activity include their on-going operation of the Mastiff Website, which is replete with fraudulent representations, and those false claims pose a threat of continued criminal activity.

179. Throughout the Relevant Period, each of the RICO Defendants assisted and supported the MASTIFF Enterprise in transmitting a series of fraudulent representations through the Mastiff Website, and through other means of wire communication, in order to defraud companies and investors, including Plaintiff. On the dates above, employees and agents of SPA-SIMRAD did view the Mastiff Website, and were induced into believing the credibility of Defendant MASTIFF and its agents and employees.

180. The MASTIFF Enterprise's racketeering activities, including the ongoing operation of the website containing multiple fraudulent representations, poses a threat of continued criminal activity.

181. The RICO Defendants' emails contributed to the fraudulent scheme and constitute wire-fraud under this Court's decision in *Loop Production v. Capital Connections LLC*, 797 F.Supp.2d 338 (S.D.N.Y. 2011).

182. As described herein, the RICO Defendants have also violated 18 U.S.C. § 1981(a) through numerous acts of fraud in the sale of securities. In fact, the fraudulent Merger Agreement violates this same provision.

183. The above establishes a pattern of at least two acts of racketeering activity under 18 U.S.C. § 1961(5) during the Relevant Period and thereby satisfies the "Pattern Element" under RICO.

184. The RICO Defendants benefited from the fraudulent acts of the MASTIFF Enterprise, and used the profits of the MASTIFF Enterprise for their own benefit.

185. The predicate acts described above have the same or similar purposes, results, participants, victims, or methods of commission, or otherwise are interrelated by distinguishing characteristics and are not isolated events and thereby satisfies the relationship prong of the Pattern Element.

186. The acts of the RICO Defendants described herein are a closed-end scheme because the above demonstrates a series of related predicates extending from June of 2011 through May of 2014. This satisfies the "Continuity Element".

187. The above acts by the RICO Defendants also constitute an open-ended continuity scheme because it involves acts, which, by their nature, threaten repetition into the future. In

fact, repetition of the acts described herein is a forgone conclusion as the RICO Defendants have conducted or participated in the same or similar fraudulent scams over the past ten (10) years. This additionally satisfies the "Continuity Element".

188. Within the last ten (10) years, as described herein, the RICO Defendants' schemes to defraud have been advanced, concealed or furthered by the use of the U.S. mail and wires in violation of 18 U.S.C. §§ 1341, 1343, securities fraud in violation of 18 U.S.C. § 1964(a) and the collection of unlawful debts in violation of 18 U.S.C. § 1964(c). Each fraudulent press release, phone conference, security offering, sale of fraudulent securities, receipt of fraudulent securities, collection of monies relating to the promotion of fraudulent security offerings, identified above, are separate RICO predicate acts, all of which took place over the last ten (10) years.

189. The RICO Defendants directly or indirectly, obtained an interest in or control of the MASTIFF Enterprise which was engaged in, or the activities of which affect, interstate or foreign commerce in violation of 18 U.S.C. § 1964(b).

190. The multiple predicate acts of the RICO Defendants described in the present matter are within a single scheme and encompassed within the RICO statute because the relationship and continuity elements are met.

191. The scheme to defraud also involved misrepresentations as to past or presently existing facts.

192. Plaintiff further alleges that all RICO Defendants did commit two (2) or more of the offenses itemized above in a manner which they calculated and premeditated intentionally to threaten continuity, i.e. a continuing threat of their respective racketeering activities, also in violation of the RICO law at 18 U.S.C. § 1962(b).

193. Defendants MASTIFF and GEORGETOWN are liable via *respondeat superior* (principal is liable for agents' misconduct: knowledge of, participation in, and benefit from a RICO enterprise).

194. SPA-SIMRAD's business and property injuries were directly and proximately the result of the above predicate acts.

195. SPA-SIMRAD's business and property will face additional injuries in the future as a direct and proximate result of the above predicate acts.

WHEREFORE, SPA-SIMRAD prays that this Court award it damages including, but not limited to, actual damages, consequential damages, treble damages, pre and post-judgment interest, the reasonable costs and attorneys' fees incurred in bringing this action, and grant such other and further relief as may be just and appropriate.

COUNT TWO

CONSPIRACY TO VIOLATE THE RACKETEER INFLUENCED CORRUPT ORGANIZATIONS ACT (18 U.S.C. §§ 1961(5), 1962(d), 1964(c)) Against All Defendants

196. Plaintiff now re-alleges each and every allegation as set forth above, and hereby incorporates same by reference, as if all were set forth fully herein.

197. Throughout the relevant period, each of the RICO Defendants were associated with or employed by MASTIFF Enterprise.

198. Throughout the Relevant Period, each of the RICO Defendants knowingly conspired to further the goals of the MASTIFF Enterprise.

199. Throughout the Relevant Period, each of the RICO Defendants intended to assist and support the MASTIFF Enterprise in transmitting a series of fraudulent representations

through emails, letters and telephone conversations, sent by a means of wire communication, in order to defraud companies and investors, including Plaintiff.

200. Throughout the Relevant Period, each of the RICO Defendants intended to assist and support the MASTIFF Enterprise in transmitting a series of fraudulent representations through the Mastiff Website, and through other means of wire communication, in order to defraud companies and investors, including Plaintiff.

201. The MASTIFF Enterprise's racketeering activities, as effectuated by the RICO Defendants, including the ongoing operation of the website containing multiple fraudulent representations, poses a threat of continued criminal activity.

202. SPA-SIMRAD's business and property injuries were directly and proximately the result of the above predicate acts.

203. SPA-SIMRAD's business and property will face additional injuries in the future as a direct and proximate result of the above predicate acts.

WHEREFORE, SPA-SIMRAD prays that this Court award it damages including, but not limited to, actual damages, consequential damages, treble damages, pre and post-judgment interest, the reasonable costs and attorneys' fees incurred in bringing this action, and grant such other and further relief as may be just and appropriate.

COUNT THREE

COMMON-LAW FRAUD
Against All Defendant

204. Plaintiff re-alleges each and every allegation as set forth above, and hereby incorporates same by reference, as if all were set forth fully herein.

205. As described above, each of the RICO Defendants made material misrepresentations, Plaintiff relied on those material misrepresentations and was induced into forgoing other financing opportunities that would have saved the company.

206. Plaintiff relied on the material misrepresentations and entered into agreements and/or contracts based on the specific dates in which the RICO Defendants promised to fund the Bridge Loan.

207. RICO Defendants knew the falsity of these statements at the time they were made.

208. RICO Defendants intended on Plaintiff to rely on their known false representations.

209. These acts were malicious, fraudulent and oppressive, justifying an award of punitive damages so that the RICO Defendants will no longer engage in such conduct in the future and make an example of them.

210. SPA-SIMRAD's business and property has been damaged by reason of Defendants' multiple fraudulent representations in connection with the operation of the MASTIFF Enterprise.

WHEREFORE, SPA-SIMRAD prays that this Court award it damages including, but not limited to, actual damages, consequential damages, punitive damages, pre and post-judgment interest, the costs incurred in bringing this action, and grant such other and further relief as may be just and appropriate.

COUNT FOUR

DECEPTIVE AND UNFAIR BUSINESS PRACTICES
GENERAL BUSINESS LAW § 349
Against All Defendant

211. Plaintiff re-alleges each and every allegation as set forth above, and hereby incorporates same by reference, as if all were set forth fully herein.

212. As described above, each of the RICO Defendants were engaged in consumer-oriented conduct that was materially misleading.

213. The RICO Defendants' misleading and deceptive acts were intended to have a broader impact on consumers at large, namely the thousands of consumers whom the RICO Defendants intended to defraud into purchasing inflated shares of a company the RICO Defendants intentionally destroyed.

214. The RICO Defendants intended, as they have done in dozens of other matters, to sell their shares of the over-valued company so they could dump their shares, leaving the consuming public holding worthless stock.

215. Plaintiff suffered injuries as a direct result of the deceptive acts and practices of the RICO Defendants.

WHEREFORE, SPA-SIMRAD prays that this Court award it damages including, but not limited to, actual damages, consequential damages, punitive damages, pre and post-judgment interest, the reasonable costs incurred in bringing this action, and grant such other and further relief as may be just and appropriate.

COUNT FIVE

DECEPTIVE AND UNFAIR BUSINESS PRACTICES
GENERAL BUSINESS LAW § 350
Against All Defendant

216. Plaintiff re-alleges each and every allegation as set forth above, and hereby incorporates same by reference, as if all were set forth fully herein.

217. As described above, the RICO Defendants were engaged in consumer-oriented conduct that was materially misleading.

218. The RICO Defendants' misleading and deceptive acts were intended to have a broader impact on consumers at large, namely the thousands of consumers whom the RICO Defendants intended to defraud into purchasing inflated shares of a company the RICO Defendants intentionally destroyed.

219. The RICO Defendants intended, as they have done in dozens of other matters, to sell their shares of the over-valued company so they could dump their shares, leaving the consuming public holding worthless stock.

220. To accomplish this, the RICO Defendants falsely advertised through their website that they are credible businesspersons, engaged in the business of aiding companies and offering securities for the benefit of the company and of the consuming public.

221. Plaintiff suffered injuries as a direct result of the allegedly deceptive act or practices of the RICO Defendants.

WHEREFORE, SPA-SIMRAD prays that this Court award it damages including, but not limited to, actual damages, consequential damages, punitive damages, pre and post-judgment interest, the reasonable costs incurred in bringing this action, and grant such other and further relief as may be just and appropriate.

RELIEF REQUESTED

Wherefore, pursuant to 18 U.S.C. § 1964(a) and (c), Plaintiff requests judgment against all named Defendants as follows:

1. **FINDING OF VIOLATION**: That this Court liberally construe the RICO statute and thereby find that all Defendants, jointly and severally, have violated the Racketeer Influenced Corrupt Organizations Act 18 U.S.C. §§ 1962(c), 1964(c), both directly and indirectly, all of whom engaged in, and whose activities did affect, interstate and foreign commerce in violation of 18 U.S.C. § 1962(b) (Prohibited activities).

2. **DEFENDANTS BE ENJOINED FROM FURTHER PARTICIPATION**: That all Defendants as well as all of their directors, officers, employees, agents, servants and all other persons in active concert or in participation with them, be enjoined temporarily during pendency of this action, and permanently thereafter, from further participation in the MASTIFF GROUP, whether directly or indirectly.

3. **DEFENDANTS BE ENJOINED FROM FURTHER PREDICATE ACTS**: That all Defendants as well as all of their directors, officers, employees, agents, servants and all other persons in active concert or in participation with them, be enjoined temporarily during pendency of this action, and permanently thereafter, from committing any more predicate acts in furtherance of the RICO enterprise alleged in COUNT ONE.

4. **ACCOUNTING**: That all Defendants be required to account for all gains, profits, and advantages derived from their several acts of racketeering activity in violation of

18 U.S.C. § 1962(b) and from all other violation(s) of applicable State and federal law(s).

5. **DAMAGES**: That judgment be entered for Plaintiff and against all Defendants, jointly and severally, for Plaintiff's actual damages, and for any gains, profits, or advantages attributable to all violations of 18 U.S.C. § 1962(b), according to the best available proof.

6. **TREBLE DAMAGES**: That all Defendants, jointly and severally, pay to Plaintiff treble (triple) damages, under authority of 18 U.S.C. § 1964(c), for any gains, profits, or advantages attributable to all violations of 18 U.S.C. § 1962(b), according to the best available proof.

7. **CONSEQUENTIAL DAMAGES**: That all Defendants, jointly and severally, pay to Plaintiff all damages sustained by Plaintiff in consequence of Defendants' several violations of 18 U.S.C. § 1962(b), according to the best available proof.

8. **ATTORNEYS' FEES AND COSTS**: That all Defendants, jointly and severally, pay to Plaintiff its costs of the lawsuit incurred herein including, but not limited to, all necessary research, all non-judicial enforcement and all reasonable counsels' fees.

9. **TRUST**: That all damages caused by all Defendants, and all gains, profits, and advantages derived by all Defendants, from their several acts of racketeering in violation of 18 U.S.C. § 1962(b) and from all other violation(s) of applicable State and federal law(s), be deemed to be held in constructive trust, for the benefit of Plaintiff, its officers and assignees.

10. **PUNITIVE DAMAGES**: That Plaintiff be awarded punitive damages on Counts Three, Four and Five against all Defendants in an amount that is likely to stop the

Defendants from continuing their careers of fraud and securities fraud, and to discourage other individuals from such activity.

11. **PRE AND POST-JUDGEMENT INTEREST**: That all Defendants, jointly and severally, pay to Plaintiff interest on all damages sustained by the Defendants' acts prior to judgment and until such time as any judgment rendered by this Court is satisfied.

12. **OTHER JUST RELIEF**: That Plaintiff have such other and further relief as this Court deems just and proper, under the circumstances of this action.

DEMAND FOR TRIAL BY JURY

13. Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff demands a trial by jury on all questions of fact raised by the complaint.

Dated: September 2, 2014

Respectfully submitted,

GARBARINI FITZGERALD P.C.

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Attorneys for Plaintiff

LIST OF EXHIBITS

Pursuant to 18 U.S.C. § 1961(9), Plaintiff now formally incorporates its documentary material by reference to all of the following Exhibits, as if set forth fully here, to wit:

Exhibit "A" with Cover Sheets

Exhibit "B" with Cover Sheets

Exhibit "C" with Cover Sheets

Exhibit "D" with Cover Sheets

Exhibit "E" with Cover Sheets

Exhibit "F" with Cover Sheets

Exhibit "G" with Cover Sheets

Exhibit "H" with Cover Sheets

Exhibit "I" with Cover Sheets

Exhibit "J" with Cover Sheets

Exhibit "K" with Cover Sheets

Exhibit "L" with Cover Sheets

Exhibit "M" with Cover Sheets

Exhibit "N" with Cover Sheets

Exhibit "O" with Cover Sheets

Exhibit "P" with Cover Sheets

Exhibit "Q" with Cover Sheets

Exhibit "R" with Cover Sheets

Exhibit "S" with Cover Sheets

Exhibit "T" with Cover Sheets

Exhibit "U" with Cover Sheets

Exhibit "V" with Cover Sheets

Exhibit "W" with Cover Sheets

Exhibit "X" with Cover Sheets

Exhibit "Y" with Cover Sheets

Exhibit “Z” with Cover Sheets

Exhibit “AA” with Cover Sheets

Exhibit “BB” with Cover Sheets

Exhibit “CC” with Cover Sheets

Exhibit “DD” with Cover Sheets

Exhibit “EE” with Cover Sheets

Exhibit “FF” with Cover Sheets

Exhibit “GG” with Cover Sheets